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October 13, 2005

The Honorable Arnold Schwarzenegger
Governor, State of California
1 State Capitol, 1st Floor
Sacramento, CA 95814

RE: South Delta Improvement Program

Dear Governor Schwarzenegger:

On behalf of the Inland Empire Economic Partnership (IEEP), its Board of Directors and Membership, I am writing today to express our organization's support for ongoing implementation of the CalFed Bay-Delta Program ("CalFed") and more specifically our support for the developing South Delta Improvements Package, a series of efforts in which, collectively would improve water supply reliability, ecosystem health and water quality in the Delta.

IEEP is the regional economic development corporation serving Riverside and San Bernardino Counties. Our mission is to attract, retain, expand and create business throughout the region. Our membership is comprised of 180 of the largest businesses and institutions, including twenty-four Cities and the two Counties. We also work in the areas of business advocacy and regional planning to ensure a strong quality of life and standard of living for our residents.

Since 2000, the unique CalFed collaboration has achieved many important accomplishments for the Bay-Delta and California at large, both programmatically and regionally, and we are pleased to voice our ongoing support for its efforts. During its first three years, CalFed has invested nearly \$2 billion to meet its program goals, scattered over hundreds of local and regional projects throughout the state. In order to ensure ongoing, balanced implementation of the CalFed Record of Decision, improvements in all CalFed components [water quality, ecosystem restoration, water supply reliability and levee integrity] need to advance, a task that requires political will and critical funding.

Critical years are ahead for CalFed as a much-needed package of Delta improvements will advance through CalFed and also through their own individual entitlement processes. While we understand final components of the Delta Improvements Package are still being negotiated and will need to be vetted through the appropriate public review process, our organization is supportive of the umbrella concept, or package, that the Authority and its member agencies are advancing.

We understand the Delta Improvements Package will contain the following independent elements:

- 1) *Water Supply Reliability*... CalFed's Conveyance Program, with its accompanying South Delta Improvements Program, will provide improved water supply reliability as water is physically moved through the Delta. According to the California Department of Water Resources, the package will provide a valuable new supply of water, increasing deliveries by approximately 250,000 acre-feet of water annually.

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- 2) *Ecosystem Restoration*... A long-term Environmental Water Account will be established to provide adequate protections for fish in the Delta while ensuring more reliable deliveries to water users.
- 3) *Water Quality*... Delta interests must be protected from impacts to water quality and water levels as more water is moved through the Delta. A series of improvements and protective measures, negotiated between in-Delta interests and exporters, including water quality, and water level standards, barriers and managements of agricultural drainage, will improve water quality in the Delta for local and statewide interests.

We believe the South Delta Improvements Package furthers CalFed's core objectives... improves water supply reliability, protects Delta water quality, and improves ecosystem health... and creates a much needed new framework for advancing critical paths for CalFed in the coming months and year. In fact, it is the first major implementation package of statewide significance within the CalFed program, moving a series of statewide water and environmental projects from planning to actual implementation. Advancing these program components help ensure CalFed will achieve the milestones established for Stage 1 (years 1-7). As you know, many of these program elements have been delayed and a renewed emphasis is required to ensure their timely implementation.

Given that the South Delta Improvements Package will be one of California's most critical water initiatives of the year, we strongly encourage the Schwarzenegger and Bush Administrations and their agencies to provide the commitment and leadership necessary to move it forward without delay. As you might imagine, an unprecedented level of federal and state cooperation will be required to prepare the necessary documents to support this package. Your leadership will therefore be vital in ensuring timeline implementation.

On behalf of IEEP, thank you again for your leadership in furthering CalFed principles and ensuring sound and effective management of California's critical water resources.

Sincerely,



Paul Hiller
 President & CEO

PH:de

CC: Joe Grindstaff, California Bay-Delta Authority
 Bay Delta Public Advisory Committee
 California State Senate Agriculture and Water Committee
 California State Assembly Water, Parks & Wildlife Committee
 Honorable Dianne Feinstein
 Honorable Richard Pombo
 Honorable Barbara Boxer
 Congressman Ken Calvert
 Congresswoman Mary Bono
 Congressman Darrell Issa
 Congressman Joe Baca
 Congressman Jerry Lewis
 Congressman David Dreier
 Norma Aria-Lee, Metropolitan Water District of Southern California